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THE

FIRST ANNUAL REPORT

OF THE

PHILADELPHIA, WILMINGTON AND BALTIMORE

Rail Road Company,

SINCE THE UNION OF THE ORIGINAL COMPANIES.

Philadelphia:

1839.

OFFICERS AND DIRECTORS
OF THE
PHILADELPHIA, WILMINGTON AND BALTIMORE
RAIL ROAD COMPANY.

MATTHEW NEWKIRK, *President.*

JACOB J. COHEN, Jr., *Vice President.*

DIRECTORS.

PHILADELPHIA, Pa.

MATTHEW NEWKIRK,
WILLIAM D. LEWIS,
JOHN CONNELL,
JOHN HEMPHILL,
THOMAS SMITH, (Del. Co.)

WILMINGTON, Del.

JAMES PRICE,
JAMES CANBY,
DAVID C. WILSON,
JAMES A. BAYARD,
WILLIAM CHANDLER,

BALTIMORE, Md.

JACOB J. COHEN, Jr.
CHARLES F. MAYER,
JOHN M'KIM, Jr.,
JAMES SWAN,
WILLIAM A. PATTERSON.

ALLAN THOMSON, *Treasurer, Wilmington.*

AUBREY H. SMITH, *Assistant Treasurer, Philadelphia.*

J. WILSON WALLACE, *Secretary, Philadelphia.*

WILLIAM P. BROBSON, *Assistant Secretary, Wilmington.*

ANNUAL REPORT.

TO THE STOCKHOLDERS OF THE PHILADELPHIA, WILMINGTON AND BALTIMORE RAIL ROAD COMPANY.

In pursuance of the Acts of Incorporation, the Board of Directors of the Philadelphia, Wilmington and Baltimore Rail Road Company, respectfully submit the following as their annual report ending the 31st of December, 1838, it being the first Annual Report since the union.

At the commencement of the past year, you are aware that the present corporation consisted of three distinct companies, viz :—The Philadelphia, Wilmington and Baltimore Rail Road Company of the State of Pennsylvania ; the Wilmington and Susquehanna Rail Road Company of the State of Delaware, and the Baltimore and Port Deposit Rail Road Company of the State of Maryland, each incorporated by the legislatures of their respective states ; that these companies having at that time nearly completed their labours, and constructed a continuous line of railway from the city of Philadelphia to the city of Baltimore, and satisfactorily tested its usefulness for the purposes designed, it became evident to those to whom the direction of the different companies was confided, that the permanent and indivisible combination of the three companies as one corporation would prevent the danger and discord of jarring interests and sectional prejudices, and secure that harmony of action in their united efforts for the accommodation of the public, so indispensable to their mutual utility, existence and advantage.

At the last annual meetings of the Stockholders of the companies, the respective Boards of Directors having obtained the requisite legislative enactments, submitted and recommended the subject to the consideration of their Stockholders,

who empowered each of their several Boards to choose from among themselves three Commissioners to meet together, and form an union of the three companies, so as to merge the same into one Corporation, upon such terms and conditions, and under such corporate name as to them should seem fit. On the 5th of February, 1838, the Commissioners appointed, consisting of Matthew Newkirk, Thomas Smith and John Hemphill, in behalf of the Philadelphia, Wilmington and Baltimore Rail Road Company; James Price, John Hemphill and James A. Bayard, in behalf of the Wilmington and Susquehanna Rail Road Company; and Lewis Brantz, Matthew Newkirk and Charles F. Mayer, from the Baltimore and Port Deposit Rail Road Company, convened and unanimously agreed on certain articles of union, which were subsequently approved and adopted by the different Boards of Directors.

On the fourteenth of February, 1838, at a special meeting of the Stockholders of the three companies, the articles of union as adopted by the several boards of Directors, were submitted to their consideration, and unanimously ratified and adopted, and the companies united, merged and organized pursuant to their Charters as one Corporation, under the Corporate name of the Philadelphia, Wilmington and Baltimore Rail Road Company.

Since that time the expenses of the Corporation have been diminished, the revenue increased, and the advantages, in energy, promptness and unity of action which had been anticipated from such a combination, have been thus far satisfactorily realized, and every assurance afforded of continued and increasing prosperity.

The Directors at the commencement of their duties after the union, directed their immediate attention to the entire completion of one track of the railway. From Baltimore as far as the western shore of the Schuylkill river, and within three miles of the city of Philadelphia, the road had been previously finished and opened for travel, the passengers being conveyed over the intervening unfinished space to and from Philadelphia by omnibusses. The ease, certainty and speed

of transit by the rail-road when so strikingly contrasted with the delay and inconvenience of transportation in omnibusses over the short distance of the three miles, rendered that portion of the route irksome to travellers and an item of serious expense to the company, and necessarily required as early a completion of the road as the importance of the works would permit ; to effect this purpose, as also to avoid the weight of land damages which the increasing value of the land rendered more enormous as the line of the road approached the city of Philadelphia, application was made to the Legislature of Pennsylvania to open Prime street in the county of Philadelphia, from Broad street to the Gray's Ferry road, of the width of one hundred feet, (thereby increasing its width fifty feet more than as before laid out,) and to authorize this company to lay one or more tracks of railway along its centre to Broad street. These privileges were obtained on condition the company paid one-third of the damages arising from the increased width, and at their own expense graded the street of the desired breadth. The conditions have been complied with, the street opened, the road graded, and a double track of railway laid from the eastern shore of the Schuylkill river along the Gray's ferry road to Prime street, and along Prime street to Broad street. At this point the railway connects with the Southwark rail-road, which extends along Broad street to Cedar street, where it joins the city rail-road, which continues and terminates the line in the city of Philadelphia. With the City Corporation and the Southwark Rail Road Company, the necessary contracts have been concluded for the use of such portions of their railways as are required for the business of the company.

The directors having determined on the conveyance of the cars from the western shore of the Schuylkill river by horse power, that the new viaduct might not be endangered by fire, or the revenue from its tolls decreased by the passing of the steam engines, have erected commodious buildings on the western side of the Schuylkill as a station for the motive power, and purchased the required teams for the transportation of the

cars from thence to the city. Having thus far progressed and succeeded in their efforts, nothing further remained to hinder the completion of their design but the finishing of the Newkirk VIADUCT across the Schuylkill river.

This work it was anticipated could be finished by the first of last May, and every prudential exertion was made for its early completion, but the manner in which the foundations of the draw piers were constructed, and the uneven surface of the bed of the river rendered it necessary that the piers and superstructure should not be hastily erected thereon, lest the piers should diverge by sinking too rapidly from their vertical position. The eastern draw pier from this cause has a deflexion of a few inches, which, though it does not endanger the strength or stability of the bridge, nevertheless presents an awkward appearance which can only be remedied by being taken down to low-water mark and rebuilt; this is intended to be done as soon as the season will permit, as it can be effected without interfering with the travel at a moderate cost, and with safety and certainty, the pier having now obtained, as we believe, a solid foundation.

Though the Directors have in the prosecution of this work met with unexpected embarrassments and delay, they are still enabled to congratulate you on the fulfilment of their design of completing their line of railway. About the first of last November, one section of the draw was finished and extended across the span, and the entire track of railway completed from Philadelphia to Baltimore. The draw of this viaduct, notwithstanding the extraordinary breadth of the span, (being 67 feet,) can be opened with facility by two men in less than two minutes. The structure will present little, if any obstruction to the navigation of the river, and certainly less than the floating bridge it is intended to displace. The materials used in the construction have been carefully selected and are of the best quality—the machinery of the most simple and effectual kind; and when entirely finished, this structure will be not only a substantial monument of the taste and skill of the engineers and architects, but a benefit to the

river navigation, and an improvement advantageous to the company and the public.

As soon as the cars could pass over the bridge, the omnibus system with its consequent annoyances and expense was immediately dispensed with, greatly to the satisfaction and comfort of the travelling public, and the passengers conveyed to the centre of the city in the large and commodious cars of the company; from this time the directors have considered the undertaking entrusted to their charge, fairly launched into operation, and are gratified in the assurance afforded by the increasing patronage of the public, that the investment will continue to be safe and lucrative to the Stockholders.

The necessity of a large and commodious depot at Philadelphia for the transaction of the passenger and merchandize business of the concern, has been apparent to the Directors from the commencement of their operations; for this purpose they have purchased the large lot of ground situate on the south side of Market street, near the corner of Eleventh street, containing in front 104 feet, and in depth 180 feet. A location which they believe will prove highly advantageous to the company, being in the heart of the city, connected by the Market street rail-road, with the northern and western chains of rail-roads, easy of access to the commercial community, and within a convenient distance of the principal hotels of the city; as early as practicable it is intended to erect buildings thereon, in every particular suitable to the purposes mentioned, and the importance of the general concern.

The railway machinery, engines and cars, are all at present in an admirable state of fitness and usefulness for the purposes required. The large and elegant steamboat stationed on the Susquehanna river at Havre de Grace, for the purpose of plying between the shores of that river and connecting the line of railway, has proved at all seasons in every respect competent for the purposes designed, nor has it since placed in operation, (notwithstanding the masses of floating ice which frequently renders the river impassable by ordinary vessels at this point,) once failed to perform its daily trips, and maintain connection of the different lines of travel.

Notwithstanding the reduction of the fare for a portion of the season, the profits arising from the business of the road since it had commenced operations, warranted in July last the declaration of a dividend of 4 per cent. on each share of capital stock, which was accordingly announced ; and the business for the last six months has again yielded to the Directors the opportunity of declaring from its profits another *dividend* of three and a half per cent, on each share of capital stock, which will be payable on the first of next February.

During the past year 146,410 persons have availed themselves of the facilities of the rail-road in travelling ; a great portion of whom have been booked at the company's offices for passages over the whole length of the line. The total amount of receipts from *passengers alone*, for the last twelve months amounts to \$296,796 74 as will appear by the statement hereto annexed ; showing, the Directors believe, that the conviction is now general, that travelling by rail-road is the safest, most expeditious, and convenient mode of public conveyance, which has yet been presented to the community. Three accidents, it is true, have occurred to workmen employed by the company, occasioned by neglect or carelessness ; but the Directors have the satisfaction to state, that not a single casualty has happened to any passenger since the road has been in operation. To afford every facility and accommodation to the travelling community, a night line from Baltimore to Philadelphia has been regularly maintained for the last six months ; and cars of a new construction, by which the seats used in day travel may at night be converted into two or three tiers of comfortable sleeping berths, are employed in that business. An additional splendid car of this description is now being finished for the company, and will shortly be placed on the road.

The revenue for the transportation of merchandize within the year amounts to \$41,204 46.

You have heretofore been apprised that the Post Office Department has availed itself of the facilities furnished by the rail-road, for the transportation of the mails.

During the last year the mails have been daily conveyed over the road between Baltimore and Philadelphia, under a contract executed in January, 1838, by which the company receives \$27,500 per annum. So satisfactory has been the arrangement to the Post Master General, and so well have the stipulations of the contract been performed by the company, that proposals have been received from the Department for the conveyance of a second daily mail.

The sum offered by the department for this service, however, has been deemed by the Directors wholly inadequate, as a compensation for the disarrangement of their present system of travel, and attendant risk and expense, and insufficient, therefore, to warrant an acceptance of the proposals, with a due regard to the interest of the Stockholders.

The *total receipts* of the Company for the last year amounted to \$371,914 94. Nor do the Directors consider this a fair estimate of what will be the annual revenue of the Company, as it increases in favour, and the difficulties incident to a new undertaking have been encountered and overcome. Rail-roads may be considered, as yet, in their infancy; experience will suggest and effect other improvements, and, as succeeding years develop the resources of the country, and enterprise of its citizens, they will increase in number, favour and usefulness. Hitherto, during the winter, the internal commerce of the country has been impeded with the suspension of the navigation of our rivers and canals. The past autumn has evidenced by the failure of the waters of the Ohio river, the disadvantages which may result to commerce from reliance solely on our natural channels of communication. These embarrassments will not be hazarded and endured, when avenues for transportation, with speed and certainty, untired by distance, and untrammelled by the change of seasons, can be designed and completed; such channels for business must and will eventually supercede those which may be obstructed by the heat of summer or cold of winter.

The activity and energy of our citizens require certain and speedy intercommunication, nor is the time far distant when

this country will be intersected in every direction with rail-roads, all of which must join with that chain of rail-roads which connects the Atlantic cities, and of which that we have finished, forms a principal link, and each extension, as completed, will increase the profit and usefulness of our operations.

The Directors do not wish, by glowing anticipations of the future prosperity of this road, to excite a spirit of speculation, or to awaken undue expectations on the part of the Stockholders. But it comes fairly within the scope of this report, to refer briefly to the circumstances which, in their judgment, show that the expectations in which this undertaking originated, will be fully realized, and the expenditures incurred by the Stockholders, amply remunerated. The handsome revenue of \$371,914 94, received in the first *entire* year of its operation, is of itself a circumstance sufficiently encouraging to warrant the most favourable auguries. It proves, beyond question, that the character of this road, as a great and indispensable national thoroughfare, is already firmly established in the favour and confidence of the public. It is not unreasonable to suppose, that the success which has attended its outset, will increase with time and keep pace with the increasing business and population of the country. As the facilities of intercourse and travel are multiplying every where around us, it is contrary to all experience to suppose that the amount of travel and trade will not greatly multiply with them.

The construction of this road itself has created one of the most important facilities of intercourse existing in the country; as it completes the great line of communication between the Capital of the Union and the commercial cities and the dense population of the East, a communication so exceedingly defective before the establishment of this road, as to render a journey to Washington, in the winter season, during the session of Congress, an undertaking always unpleasant and expensive, and frequently attended with great delay and considerable hazard. It has not only established a speedy, comfortable,

and cheap communication, available at all seasons, between the National metropolis and the great commercial marts of the Eastern and Middle States, but it constitutes the main link or avenue which connects the great works of internal communication in the West, South-west and South, embracing the wide valley of the Mississippi, with the corresponding improvements of the middle and eastern sections of the Union. The completion of the New Jersey Rail-road within the past year, brings this road at once in direct connection with the city of New York, and establishes an entire line of rail-road communication by this route from New York to Washington. The Baltimore and Ohio Rail-road Company is effectually engaged in measures for the speedy extension of that great work from Harper's Ferry, its present termination, to Cumberland and eventually to Wheeling; a work which, when completed, will open to this road the business and travel of the whole west and south-western region of our widely extended country.

In the South, the great rail-roads of Virginia, North and South Carolina and Georgia, are all tending, either directly or by lateral communication, towards a connection with Baltimore, as a common centre, through the medium of the Washington branch of the Baltimore and Ohio Rail-road. Nor should we overlook in this review the Eastern Shore Rail-road of the State of Maryland, which is now located and under contract, and is expected to be in operation within two years. This road, extending along the whole Eastern Shore of Maryland, has its northern terminus at the Depot of this Company at Elkton, about midway between the cities of Philadelphia and Baltimore, and is intended to establish a direct line of rail-road and steamboat communication between that depot and Norfolk, for the purpose of southern travel and trade.

From the brief sketch here presented, it requires no stretch of the imagination to anticipate a great prospective increase of the business and profits of this road, and a certainty of ample reward to the stockholders, as well as of great benefit to the public. It has already effected an important change in

the commercial relations between the Atlantic cities and the West, by giving to the merchants of that wide region a line of transportation, available at all seasons of the year, which enables them when the rivers and canals are closed with ice, and the ordinary roads are nearly impassable, to transport immense quantities of merchandize from Philadelphia and New York, where they would otherwise be locked up to await the tardy arrival of spring. Western merchants now select their own time for visiting the markets of these cities, and large quantities of valuable merchandize are constantly passing by this route to the far West, in the winter, as well as at all other seasons; thus placing the commercial intercourse between the importing cities and the interior beyond those contingencies of weather and seasons, which, in times past, have operated as a suspension of the transit of merchandize for almost half the year.

In conclusion, the Directors, in reference both to the actual condition, and to the future prospects of this Company, feel that there is every motive for congratulation on the part of the stockholders, in the certainty of an ample remuneration for the capital they have invested in the work.

Very respectfully submitted by order of the Board of Directors.

MATTHEW NEWKIRK, *President.*

J. WILSON WALLACE, *Secretary.*

Wilmington, January 14th, 1839.

ARTICLES OF UNION

OF

*The Philadelphia, Wilmington and Baltimore, the
Wilmington and Susquehanna, and the Baltimore
and Port Deposit Rail Road Companies.*

ARTICLES OF UNION made and concluded this fifth day of February, in the year of our Lord one thousand eight hundred and thirty-eight, between the Wilmington and Susquehanna Rail Road Company, The Baltimore and Port Deposit Rail Road Company, and The Philadelphia, Wilmington and Baltimore Rail Road Company, by virtue and in pursuance of an Act of the General Assembly of the state of Delaware, entitled "A further Supplement to an act entitled "An Act to incorporate the Wilmington and Susquehanna Rail Road Company," and an Act of the General Assembly of Maryland, entitled "An Act to authorize the Union of the Baltimore and Port Deposit Rail Road Company, the Wilmington and Susquehanna Rail Road Company, and the Philadelphia, Wilmington and Baltimore Rail Road Company," and of an Act of the General Assembly of Pennsylvania, entitled "An Act Supplementary to the Act incorporating the Philadelphia, Wilmington and Baltimore Rail Road Company."

First. The said three Corporations are hereby united, and from and after the first election of Directors hereinafter provided for in the third article, shall be merged into one body corporate, under the name and style of "The Philadelphia, Wilmington and Baltimore Rail Road Company," and the stocks of the said three Corporations so united shall form one common stock ; and all the estate, real, personal and mixed, and the rights, privileges, advantages and immunities belonging to each of the said Corporations, become and be vested in the said body corporate, and the debts and liabilities of each of the said Corporations shall be deemed, and are hereby declared to be the debts and liabilities of the said body corporate.

Second. The stock of the said body corporate is hereby divided into shares of *fifty dollars* each ; of which the present Stockholders of the Wilmington and Susquehanna Rail Road Company are hereby declared to be entitled in all to sixteen thousand shares ; the present Stockholders of the Baltimore and Port Deposit Rail Road Company to nineteen thousand shares ; the present Stockholders of the Philadelphia, Wilmington and Baltimore Rail Road Company to ten thousand shares ; including those forfeited heretofore ; which are to be held for the use of this Corporation, and certificates of stock, as may be regulated by the President and Directors of the said body corporate, shall be granted and issued accordingly to each of the said Stockholders, so soon as the said Stockholders shall have paid up all instalments due upon the shares of stock held by them respectively, and shall have surrendered the certificates previously issued to them as Stockholders in the respective Companies hereby united. And the capital stock of the said Corporation shall consist of such number of shares as aforesaid, subject to the right and privilege of increasing the same, from time to time, according to the provisions of the respective charters of the said Companies hereby united.

Third. There shall be fifteen Directors to manage the affairs and business of the said body corporate ; and a meeting of the Stockholders of the three Corporations hereby united, for the election of the first Directors, shall be held at Wilmington, on Wednesday, the fourteenth day of February, instant ; of the time and place of which meeting, notice shall be given by the present President of the Wilmington and Susquehanna Rail Road Company, by advertisement, in at least three newspapers ; at which meeting fifteen Directors shall be elected by the said Stockholders, voting in person or by proxy ; and each share being entitled to one vote ; and the Directors so elected shall hold their offices until the ensuing annual meeting of the Stockholders, and until their successors are elected.

Fourth. The stated meetings of the Stockholders shall be held in the city of Wilmington on the second Monday of January, in each and every year hereafter, at which time and place an annual election of Directors shall be made by the Stockholders, and fifteen days' notice of the time and place of each stated meeting shall be given, by advertisement, in at least three newspapers. The election shall be by ballot, and each share of stock shall entitle the holder thereof to one vote, to be given either in person or by proxy, provided it has been held for three calendar months before the time of voting. The Directors shall, after the first and each subsequent election choose by ballot one of their own number to be President of the said body corporate, who shall serve one year, or until the election of a successor. The omission to hold an election for Directors, at the time prescribed, shall in no wise affect the said body corporate ; but such election may be had upon due notice from the said President and Directors, published as aforesaid, at any time within three months after the time so prescribed as aforesaid. The Directors shall hold their offices for one year, and until a new election shall take place ; and the powers of the said President and Directors shall be the same as are now vested in the President and Directors of the Wilmington and Susquehanna Rail Road Company. The President may be removed from his office by a vote of two-thirds of all the Directors. The Directors may, in each year that they may deem it advisable, elect a Vice President from their own number, who, in the absence of the President, shall have all the powers of the President, and shall be liable to removal in like manner as the President. Five Directors shall constitute a quorum for the transaction of business. The Directors may, if they shall deem it advisable, appoint an Executive Committee, consisting of six members, from the states of Pennsylvania, Delaware and Maryland, for such time and for the performance of such duties as any resolutions of the Directors or any by-law may prescribe and assign ; and the President, or Vice President, and any two members of such committee shall constitute a quorum

thereof. All Officers and Agents of the Corporation, other than Directors, shall be appointed by the Directors, who may prescribe and exact such security as they may deem proper for the performance of their duties.

Fifth. The stated meetings of the Board of Directors shall be held alternately at Wilmington and Philadelphia. And special meetings may be held either at Wilmington, Philadelphia or Baltimore. The Corporation shall have offices opened at Wilmington, Philadelphia and Baltimore, at either of which transfers of stock may be made under such regulations as the Board of Directors may prescribe.

Sixth. All by-laws shall be made, altered or repealed only by a majority, consisting of not less than two-thirds of all the Directors; it being understood that no by-law shall contravene any of these terms or stipulations; and the existing by-laws of the Wilmington and Susquehanna Rail Road Company shall, until altered or repealed as aforesaid, be the by-laws of this Corporation; and all rules and regulations necessary for the management and conduct of the business of the Company, not provided for in a by-law, may be made by the Directors.

IN WITNESS WHEREOF, the said Corporations, parties to this agreement, have caused their respective Corporate seals, attested by the signatures of their respective Presidents, to be hereunto affixed, the day and year first herein before written.



JAMES PRICE, *President*
of the Wilmington and Susquehanna R. R. Company.



J. J. COHEN, Jr. *President*
of the Baltimore and Port Deposit R. R. Company



MATTHEW NEWKIRK, *President*
of the Philadelphia, Wilmington and Baltimore R. R. Company.